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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 15, 2014

Certified Return Receipt
7011 2970 0001 8828 2426

Monument Resources, LLC
914 Twin Rocks Drive
Bluff, Utah 84512

Subject: Division Directive, Mining Permit Required, Monument Resources, LLC, Unpermitted Mine, S/037/0123, San Juan County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) has been informed that Monument Resources, LLC, is the operator of an unpermitted surface mining operation located approximately 1.2 miles north-northwest of Mexican Hat, Utah, in the West ½ of Section 6, Township 42 South, Range 19 East, (coordinates 600328.0mE, 4113615.0mN, UTM Zone 12N). Under Utah Administrative Code (UAC) Title 40, conducting mining operations in the state of Utah requires a mining permit obtained through the Utah Department of Natural Resources, Division of Oil, Gas and Mining.

In an e mail to Brooke Gaines, sent December 8, 2010 (copy attached), Tom Munson, formerly of this office, provided Monument Resources/Gaines Trucking with an internet link to the Division's website and gave instructions on how to obtain a permit. To date, the Division has received no Notice of Intention to Conduct Small Mining Operations (NOI). **You are hereby instructed to complete and submit to this office a Small Mining Operations NOI and provide the appropriate application fee (\$150) by September 15, 2014.** A reclamation surety calculated based on disturbed acreage will also be required to complete the application process. There are several bonding options available as shown on the bonding forms web site linked below.

The site was inspected on July 25, 2013, and the Division determined the surface area was disturbed by mining activity, and that no reclamation had been conducted. A copy of the inspection report is enclosed with this letter.

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Failure to submit a completed NOI form with application fee by the date shown above will constitute a violation of state law subject to fines up to \$750 per day until either a permit is obtained, or the disturbed area is fully reclaimed. A valid mining permit is also required to legally conduct business from this operation with any county, state, or federal agency.

To assist you in initiating the permitting process, the following web links are provided:

The Minerals Program home page is located here:

<http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/default.html>

The permitting forms page on the Division web site is located here:

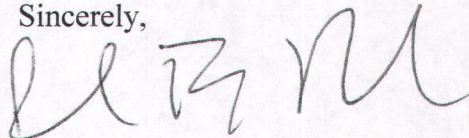
http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/permit_forms.html

The bonding forms page is located here:

http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_forms.html

Please contact Mike Bradley, the lead inspector for San Juan County, at 801-538-5332, or me at 801-538-5261 if you have questions regarding this action. Your cooperation in resolving this matter is appreciated and required to avoid any future regulatory penalties.

Sincerely,



Paul Baker
Minerals Mining Manager
Minerals Regulatory Program

PB: mpb: eb
Enclosure: Inspection report from July of 2013
Copy of email correspondence from December 8, 2010
cc: Lynn Laws, County Roads Supervisor, San Juan County (lynnlaws@sanjuancounty.org)
Greg Adams, Subdivision Administrator, San Juan County (gregadams@sanjuancounty.org)
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